

**INVESTMENT BOARD held at COMMITTEE ROOM - COUNCIL OFFICES,
LONDON ROAD, SAFFRON WALDEN, ESSEX CB11 4ER, on THURSDAY,
27 FEBRUARY 2020 at 3.00 pm**

Present: Councillor J Lodge (Chair)
Councillors G Bagnall, C Criscione, N Hargreaves, P Lavelle,
G LeCount, R Pavitt and J De Vries

Officers in attendance: C Gibson (Democratic Services Officer), A Webb (Director -
Finance and Corporate Services) and N Wittman (Assistant
Director - ICT and Facilities)

IB32 ELECTION OF THE CHAIR

Councillor Lodge said that the intention remained that when Independent Members were recruited to the Board one of them would take the Chair. Nominations were invited for Chair.

AGREED to appoint Councillor Lodge as the Chair of the Investment Board.

IB33 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors Khan, Reeve and Sell.

IB34 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 23 January 2020 were approved and signed by the Chair as a correct record.

IB35 EXCLUSION OF PUBLIC AND PRESS

AGREED that under section 1001 of the Local Government Act 1972 the public be excluded for the following items of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 part 1 of Schedule 12A of the Act.

IB36 INVESTMENT OPPORTUNITIES 3 AND 4

The Director – Finance and Corporate Services gave a summary of the report, which detailed two investment opportunities that would be outside of the 2020/21 budget process but would form part of the Medium Term Financial Strategy solution ongoing. If agreed both projects would generate net income in 2020/21

and the proposed use of the net income would be set out for Council on 10 March 2020.

The Director – Finance and Corporate Services summarised the advantages of Investment Opportunity 3. The Council had an opportunity to acquire for £20 million a local new build that was being built to a very high standard and that would provide an annual yield of 5.29%. The proposed lease would be for 25 years with no break clause with fixed annual increases of 2.5% compounded every five years. It was intended to exchange contracts as soon as possible with a view to completion by the end of July 2020. The risks had been identified and were debated by Members.

The Director – Finance and Corporate Services summarised the advantages of Investment Opportunity 4. The Council had an opportunity to acquire for £6.1 million a refurbished out of area office building that would provide an annual yield of 5.41%. The lease had been signed on 10 September 2019 for 20 years with no break clause with 2% fixed increases compounded every five years. It was intended to exchange contracts in March 2020 with a view to completion before the end of May 2020. The risks had been identified and were debated by Members.

Members agreed to vote on each investment opportunity separately after discussion.

In respect of Investment Opportunity 3:

AGREED to recommend to Cabinet that:

- a. The property purchase as set out in this report is agreed up to the sum of £21,500,000.
- b. Members agree a split between interest only and repayment funding.
- c. The purchase costs as set out in paragraphs 13 and 14 are capitalised.
- d. The purchases are made as a direct investment by Uttlesford District Council.

In respect of Investment Opportunity 4:

AGREED to recommend to Cabinet that:

- a. The property purchase as set out in this report is agreed up to the sum of £7,000,000.
- b. Members agree a split between interest only and repayment funding.
- c. The purchase costs as set out in paragraph 33 are capitalised.

- d. The purchases are made as a direct investment by Uttlesford District Council.

IB37 LIST OF REJECTED AND ONGOING INVESTMENT OPPORTUNITIES

The Director - Finance and Corporate Services outlined various rejected and ongoing investment opportunities; he explained the logic behind either rejecting or continuing to take forward potential schemes and the need to diversify the Portfolio. He stated that the intention over time would be to develop a Protocol. Members welcomed the format of the presentation and considered that this would be a very useful regular exercise.

IB38 UPDATE ON INDEPENDENT MEMBER RECRUITMENT

The Director – Finance and Corporate Services provided an update on the recruitment of Independent Members. There had been press releases, an advertisement on the Council website and NED (The Non-Executive Directors Exchange) would also receive the information. CV's had been requested and interviews would be held 9.00 - 13.00 hrs on 11 March 2020 with Councillors Lavelle, Lodge and Pavitt sitting on the panel.

The meeting closed at 4.50pm.